

State of Utah

Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR. Governor

GARY R. HERBERT

December 15, 2006

William Horsley Pisgah Properties 4990 North HWY 38 Brigham City, UT 84302

Subject: Approval of Reclamation Surety and Reclamation Contract, Pisgah

Properties, BHY Mine, M0050003, Cache County, Utah

Dear Mr. Horsley:

On December 13, 2006, the Director of the Division of Oil, Gas and Mining signed the reclamation contract for the BHY Mine Notice of Intention to Conduct Small Mining Operations, file number M0050003. You now have Division approval of the form and amount of surety for the above referenced site. A copy of the executed reclamation contract/surety is enclosed for your records.

If you have questions or concerns regarding this letter, please contact me at (801) 538-5325 or Lynn Kunzler at 538-5310. Thank you for your help in completing this very important regulatory requirement.

Sincerely,

Daron R. Haddock Permit Supervisor

Minerals Regulatory Program

Q Haddock

DRH:jb

Enclosure: Copy of RC/surety

P:\GROUPS\MINERALS\WP\M005-Cache\S050003-BhyMine\final\apprvl-bond-12152006.doc